

AMENDED IN SENATE FEBRUARY 6, 2013

AMENDED IN SENATE JANUARY 29, 2013

SENATE BILL

No. 54

Introduced by Senator Hancock

December 21, 2012

An act to add Sections 31621.12 and 31676.20 to the Government Code, relating to county employees' retirement, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 54, as amended, Hancock. Retirement: county employees.

The California Public Employees' Pension Reform Act of 2013 requires each county retirement system created pursuant to the County Employees Retirement Law of 1937 to use a retirement formula commonly known as 2.5% at 67 years of age for nonsafety members first hired on or after January 1, 2013, except that a lower retirement formula may be used as specified. The County Employees Retirement Law of 1937 authorizes the Alameda County Board of Supervisors to provide service retirement allowances for general members based on one of 2 formulas commonly known as the 2% at 57 years of age formula or the 1.64% at 57 years of age formula.

This bill would authorize the Alameda County Board of Supervisors to adopt a resolution that would provide service retirement allowances based on a formula commonly known as the 2% at 65 years of age formula for general members hired after approval of the resolution, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
 State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 31621.12 is added to the Government Code, to read:

31621.12. In counties adopting Section 31676.20, the normal rates of contribution for members covered by Section 31676.20 shall be as provided for in Section 7522.30. Employees shall pay at least 50 percent of normal costs and the employer shall not pay any part of the required employee contribution.

SEC. 2. Section 31676.20 is added to the Government Code, to read:

31676.20. (a) (1) Notwithstanding any other provision of this chapter or of subdivision (b) of Section 7522.02 and Section 7522.20, this section may be made applicable in a county of the fourth class, as defined in Sections 28020 and 28025, as amended by Chapter 1204 of the Statutes of 1971, on the first day of the month after the board of supervisors of the county adopts a resolution by majority vote, as part of or subsequent to the adoption of any negotiated memorandum of understanding with a bargaining unit that represents general member employees and that was adopted on or before ~~July~~ *December* 31, 2012, to employees of that bargaining unit hired after approval of the resolution or to unrepresented employees hired after approval of the resolution.

(2) Notwithstanding any other provisions of this chapter or of subdivision (b) of Section 7522.02 and Section 7522.20, the defined benefit plan shall provide a pension at retirement for service equal to the percentage of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding quarter year, in the following table, multiplied by the number of years of service in the system as a nonsafety member. A member may retire for service under this section after five years of service and upon reaching 52 years of age.

| Age of Retirement | Fraction |
|------------------------|----------|
| 52..... | 1.00 |
| 52 $\frac{1}{4}$ | 1.025 |

| | | |
|----|------------------------|--------|
| 1 | 52 $\frac{1}{2}$ | 1.050 |
| 2 | 52 $\frac{3}{4}$ | 1.075 |
| 3 | 53..... | 1.100 |
| 4 | 53 $\frac{1}{4}$ | 1.125 |
| 5 | 53 $\frac{1}{2}$ | 1.150 |
| 6 | 53 $\frac{3}{4}$ | 1.175 |
| 7 | 54..... | 1.1883 |
| 8 | 54 $\frac{1}{4}$ | 1.2022 |
| 9 | 54 $\frac{1}{2}$ | 1.2160 |
| 10 | 54 $\frac{3}{4}$ | 1.2299 |
| 11 | 55..... | 1.2436 |
| 12 | 55 $\frac{1}{4}$ | 1.2585 |
| 13 | 55 $\frac{1}{2}$ | 1.2733 |
| 14 | 55 $\frac{3}{4}$ | 1.2882 |
| 15 | 56..... | 1.3031 |
| 16 | 56 $\frac{1}{4}$ | 1.3192 |
| 17 | 56 $\frac{1}{2}$ | 1.3353 |
| 18 | 56 $\frac{3}{4}$ | 1.3514 |
| 19 | 57..... | 1.3675 |
| 20 | 57 $\frac{1}{4}$ | 1.3850 |
| 21 | 57 $\frac{1}{2}$ | 1.4025 |
| 22 | 57 $\frac{3}{4}$ | 1.4200 |
| 23 | 58..... | 1.4375 |
| 24 | 58 $\frac{1}{4}$ | 1.4565 |
| 25 | 58 $\frac{1}{2}$ | 1.4757 |
| 26 | 58 $\frac{3}{4}$ | 1.4947 |
| 27 | 59..... | 1.5138 |
| 28 | 59 $\frac{1}{4}$ | 1.5346 |
| 29 | 59 $\frac{1}{2}$ | 1.5554 |
| 30 | 59 $\frac{3}{4}$ | 1.5763 |
| 31 | 60..... | 1.5972 |
| 32 | 60 $\frac{1}{4}$ | 1.6126 |
| 33 | 60 $\frac{1}{2}$ | 1.6282 |
| 34 | 60 $\frac{3}{4}$ | 1.6438 |
| 35 | 61..... | 1.6593 |
| 36 | 61 $\frac{1}{4}$ | 1.6801 |
| 37 | 61 $\frac{1}{2}$ | 1.7010 |
| 38 | 61 $\frac{3}{4}$ | 1.7219 |
| 39 | 62..... | 1.7428 |
| 40 | 62 $\frac{1}{4}$ | 1.7649 |

| | | |
|----|------------------------|--------|
| 1 | 62 $\frac{1}{2}$ | 1.7871 |
| 2 | 62 $\frac{3}{4}$ | 1.8092 |
| 3 | 63..... | 1.8314 |
| 4 | 63 $\frac{1}{4}$ | 1.8549 |
| 5 | 63 $\frac{1}{2}$ | 1.8785 |
| 6 | 63 $\frac{3}{4}$ | 1.9021 |
| 7 | 64..... | 1.9257 |
| 8 | 64 $\frac{1}{4}$ | 1.9510 |
| 9 | 64 $\frac{1}{2}$ | 1.9763 |
| 10 | 64 $\frac{3}{4}$ | 2.0015 |
| 11 | 65..... | 2.0268 |
| 12 | 65 $\frac{1}{4}$ | 2.0268 |
| 13 | 65 $\frac{1}{2}$ | 2.0268 |
| 14 | 65 $\frac{3}{4}$ | 2.0268 |
| 15 | 66 | 2.0268 |
| 16 | 66 $\frac{1}{4}$ | 2.0268 |
| 17 | 66 $\frac{1}{2}$ | 2.0268 |
| 18 | 66 $\frac{3}{4}$ | 2.0268 |
| 19 | 67 and over..... | 2.0268 |

20

21 (b) Except as provided for in subdivision (a), any requirement
 22 of the California Public Employees' Pension Reform Act of 2013
 23 (Article 4 (commencing with Section 7522) of Chapter 21 of
 24 Division 7 of Title 1) applicable to employers or members
 25 participating in county and district retirement systems created
 26 under this chapter shall also apply to employers and members
 27 operating under this section.

28 (c) Subject to the requirements of Section 7522.30, a resolution
 29 adopted pursuant to this section or previously adopted resolutions
 30 of the board may require members to pay all or part of the
 31 contributions by a member or employer, or both, that would have
 32 been required if the section or sections specified within this chapter
 33 were or have been adopted by resolution. The payment by a
 34 member shall become part of the accumulated contributions of the
 35 member.

36 (d) The board of supervisors, in a resolution described in
 37 subdivision (a), shall not require that a bargaining unit be divided
 38 solely for the purpose of providing different retirement benefits.
 39 However, if the members of a bargaining unit within the same or

1 similar membership classification so elect, retirement benefits may
2 be separately negotiated with that bargaining unit.

3 (e) Notwithstanding any other provision of law, the effective
4 date of a resolution described in subdivision (a) may be different
5 than the date of the resolution.

6 (f) This section shall not apply to safety members.

7 SEC. 3. This act is an urgency statute necessary for the
8 immediate preservation of the public peace, health, or safety within
9 the meaning of Article IV of the Constitution and shall go into
10 immediate effect. The facts constituting the necessity are:

11 In order for the benefits of a memorandum of understanding that
12 was negotiated between a county of the fourth class and one of its
13 bargaining units to be enacted and applied equitably at the earliest
14 possible time, it is necessary that this act take effect immediately.